



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240



MAY 15 2007

Memorandum

To: Bureau Procurement Chiefs

From: Debra E. Sonderman, Director, *Debra E. Sonderman*
Office of Acquisition and Property Management and Senior
Procurement Executive

Subject: Federal Procurement Data Verification and Validation

In a memorandum dated March 9, 2007, the Office of Federal Procurement Policy (OFPP) required agencies to establish verification and validation plans for the data entered into the Federal Procurement Data System (FPDS). The Department of the Interior's Acquisition Policy Release (DIAPR) 2007-1, "Ensuring Accurate Procurement Data Reporting to the Federal Procurement Data System-Next Generation (FPDS)", issued on November 16, 2007 already satisfies many of the verification and validation requirements mandated in the OFPP memorandum. DIAPR 2007-1 required each bureau to submit an FPDS procurement data quality control plan addressing the bureau's review process at each level of the organization, for example:

- The Contracting Officer responsible for signing the contract ensures that an FPDS record has been created for the action and that all the information is accurate. This review should take place prior to obligation of the action.
- The manager/supervisor for the contracting activity reviews the standard reports available in FPDS no less than bi-weekly to ensure all procurement actions that have the potential of a cumulative total exceeding the micro-purchase threshold have a corresponding FPDS entry that is accurate and complete.
- At each succeeding supervisory/management level data is reviewed and certifications are provided that all applicable data is entered into FPDS and is accurate.
- Standard report data is periodically reviewed for common errors/miscoding so that targeted training/clarification can be provided.

Once implemented the quality control plans will also assist bureau acquisition functions in meeting OMB Circular A-123 "Management's Responsibility for Internal Control" requirements regarding the implementation of internal controls to ensure, among other

objectives, that data are reliable and complete. The review process conducted at subsequent levels of the organization would also satisfy the OFPP requirement for independent verification and validation.

To ensure Department-wide compliance with OFPP data verification and validation requirements, and as a means of testing bureau data quality assurance plans, effective immediately, each bureau is required to review at minimum, a 3% sampling of all reportable actions each quarter. The statistical review shall consist of a comparison of each FPDS data field with the corresponding information in the contract file. The data must be reviewed by someone other than the awarding contracting specialist/officer and must be representative of the bureau's work force and workload (i.e., across all procurement offices and all procurement vehicles).

Bureaus shall report the results of their quarterly statistical sample review to the Office of Acquisition and Property Management no later than 10 days following the end of the quarter. A sample of statistical review results and a best practices guide to FPDS data verification and validation is provided as an attachment to this memorandum.

Please feel free to contact Kate Oliver at 202/208-3345 of my staff if you have any questions.

REVIEW RESULTS SAMPLE

PIID Reviewed:
IND12345

Mod:

Reviewer:
John Doe

Issues found:

Contracting Officer's business size misidentified as 'other than small' although contract awarded as an 8(a).

End dates were not updated to reflect the current contract expiration date.

Corrective Actions Taken:

Contracting Officer was informed of the meaning behind the Contracting Officer's business size in conjunction with small business procedures and the need to keep end dates current.

The Business Utilization Development Specialist (BUDS) was asked to provide a presentation to the contracts office on small business information.

The Contracting Officer corrected the document within FPDS.

BEST PRACTICES

BEST REPORTS:

The Workload report in FPDS will help you establish a base for your sample. The report provides information on bureau and office workload by dollar range and by type of action.

The Individual Data Item Oversight Tracker Report provides information on each transaction by user. It includes all the data fields for a given FPDS record.

BEST PRACTICES FROM SUBMITTED QUALITY CONTROL PLANS:

FPDS reporting was included as a critical element in employee performance appraisal plans.

A goal of less than 1% error rate for all reported transactions was established

Periodic training seminars were established and included as a module in all warrant maintenance classes. Training includes information on the importance of FPDS (how it is used, who uses it, etc.).

Reviews of standard reports are being conducted at all levels of the organization, from the head of the office to the head of the region, to the bureau headquarters.

A policy was instituted that funds could not be obligated until the FPDS record is created and reviewed for accuracy.

Certifications of data accuracy and completeness are required from all levels of the organization on a quarterly basis.

Reviews for accuracy and completeness of data are conducted at the office level every two weeks.

A means of communicating about FPDS has been established and information is provided to procurement personnel frequently.

The bureau FPDS system administrator has been identified and is known by bureau procurement personnel.

Office of Acquisition and Property Management

Department of the Interior

November 16, 2006

Department of the Interior Acquisition Policy Release (DIAPR) 2007 - 01

SUBJECT: Ensuring Accurate Procurement Data Reporting to the Federal Procurement Data System-Next Generation (FPDS-NG)

REFERENCE: Federal Acquisition Regulation (FAR) Subpart 4.6, "Contract Reporting"; DIAPR 2002-04 and Amendments I and 2, "Reporting Charge Card Transactions in the Procurement Data System"; and, DIAPR 2004-07, "Ensuring Accurate Procurement Data Reporting to the FPDS-NG"

1. Purpose:

This policy release is issued to establish certification requirements for bureau submissions to FPDS-NG in order to ensure the timeliness and accuracy of data entry.

2. Effective Date:

Effective immediately upon issuance.

3. Expiration Date:

This DIAPR supersedes DIAPR 2004-7 "Ensuring Accurate Procurement Data Reporting to the FPDS-NG" and DIAPR 2002-04 and all amendments thereto, "Reporting Charge Card Transactions in the Procurement Data System" and remains in effect until canceled or superseded.

4. Background and Explanation:

FAR Subpart 4.6 requires agencies to report all procurement actions that exceed the micro-purchase threshold (i.e., currently \$3,000) and all modifications to those transactions regardless of dollar value to FPDS-NG. Additionally, as a participant in the Small Business Competitiveness Demonstration Program, the Department of the Interior (DOI) is required to report **all actions, regardless of dollar value**, made in the designated industry groups.

The following actions are NOT reported to FPDS-NG:

- Financial assistance actions e.g. grants, cooperative agreements, subsidies, contributions, P.L. 93-638 actions, etc.
- Imprest fund transactions, SF 44 purchases, and training authorizations. Purchase card transactions with a total cumulative value less than the micro-purchase threshold (\$3,000) are not required to be reported but an agency may elect to do so.
- Interagency agreements with other federal agencies (e.g. Tennessee Valley Authority, GPO transactions, etc.), independent federal establishments (e.g. Export/Import Bank of the US), or federally chartered sources (e.g.

Howard University or the Smithsonian Institution).

- Government Bills of Lading and Government Transportation Requests.
- Interagency agreements with other federal agencies (e.g. Tennessee Valley Authority, GPO transactions, etc.), independent federal establishments (e.g. Export/Import Bank of the US), or federally chartered sources (e.g. Howard University or the Smithsonian Institution).
- Government Bills of Lading and Government Transportation Requests.
- Actions using predominantly non-appropriated funds, except pursuant to 2b above.
- FED STRIP and MILSTRIP requisitions.
- Actions involving transfer of supplies within and among agencies and sub agencies.
- Orders from GSA Stock and GSA Consolidated Purchase Program (e.g., GSA Advantage)
- Civilian agencies shall not report actions for petroleum or petroleum products ordered against a Defense Logistics Agency Indefinite Delivery Contract. (See Part III, C.3d.)

Data from FPDS-NG is used by the White House, Congress, the Government Accountability Office, other Federal executive agencies, the general public, the Small Business Administration (SBA) in calculating agency goals, and DOI managers, as a basis for decisions on a variety of topics. Further, OMB Circular A-123 "Management's Responsibility for Internal Control" mandates implementation of internal controls to ensure, among other objectives, that reliable, complete, and timely data are maintained.

5. Action Required:

- a. All procurement actions that have the potential of exceeding the micro-purchase threshold (\$3,000), including those made with the Government purchase card, must be entered into FPDSNG. All procurement actions that fall under the Small Business Competitiveness Demonstration Program must be reported to FPDS-NG regardless of dollar value.
- b. Data should be entered into FPDS-NG as close to real time as possible, ideally, prior to the obligation of the contract action. Data entry, review, and approval in FPDS-NG must be accomplished within three days of the procurement action being obligated.
- c. Reporting of all actions must be done by the responsible Contracting Officer, Contract Specialist or Purchasing Agent, or other personnel who are fully trained in procurement and subjects involved in the reporting process and are able to efficiently and accurately determine the correct response to all data issues. The Contracting Officer must, at the very least, review and approve within the system the data entered into FPDS-NG.
- d. Particular attention must be paid to the accuracy of each and every data element submitted by reporting and reviewing personnel, especially the business size status and all socioeconomic information, such as Service Disabled Veteran Owned Businesses (SDVOB), which should be derived from a review of the vendor's On-line Representations and Certifications application. Correct entry of all dates, dollar amounts, selection of the appropriate PSC and NAICS codes, Contracting Officer's size determination, and project descriptions that clearly explain what is being procured, are other examples of focus areas.
- e. Each bureau shall establish a procurement data quality control plan involving, as a minimum, the following:
 - Identification of the bureau FPDS-NG system administrator. This individual will serve as a liaison between the Office of Acquisition and Property Management (PAM) and the bureau FPDS-NG users.
 - The means by which the bureau intends to capture any unique FPDS-NG reporting requirements of non-DOI entities, if applicable.
 - The proposed corrective actions the bureau will implement in response to persistent inaccurate, late, and/or non-existent reporting.

The bureau's review process at each level of the organization. For example:

- o The Contracting Officer responsible for signing the contract ensures that an FPDS-NG record has been created for the action and that all the information is accurate. This review should take place prior to obligation of the action.
- o The manager\supervisor for the contracting activity reviews the standard reports available in FPDS-NG no less than bi-weekly to ensure all procurement actions that have the potential of a cumulative total exceeding the micro-purchase threshold have a corresponding FPDS-NG entry that is accurate and complete.
- o At each succeeding supervisory\management level data is reviewed and certifications are provided that all applicable data is entered into FPDSNG and is accurate.
- o Standard report data is periodically reviewed for common errors\miscodings so that targeted training\clarification can be provided.

The bureau procurement data quality control plan must be submitted to PAM within one month of this policy's issuance date.

f. Each bureau procurement chief shall submit to the Director, PAM, a certification of the completeness, currency and accuracy of the prior fiscal year data, no later than October 13th of each year. The certification should confirm that all applicable actions were entered, are accurate, and were reviewed\approved by the responsible Contracting Officer. The certification should also confirm that the bureau procurement data quality control plan was followed. The certification should further quantify and explain:

- a. any known errors or unresolved anomalies remaining in the data;
- b. goals for the current fiscal year; and
- c. steps being taken to further improve the quality (completeness and accuracy) as well as the timeliness of the data.

6. *Additional Information:* If you have questions about this matter, please contact Kate Oliver at (202) 208-3345.

/ signed / Debra E. Sonderman, Director
Office of Acquisition and Property Management